



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, APRIL 19, 2004
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DUTCH SHIPPING COMPANY AGREES TO PLEAD GUILTY IN INTERNATIONAL PARCEL TANKER SHIPPING INVESTIGATION

Company Agrees To Pay \$19.5 Million Criminal Fine

WASHINGTON, D.C. -- Dutch-based Jo Tankers B.V. has agreed to plead guilty and pay a \$19.5 million criminal fine for participating in an international cartel to allocate customers, rig bids, and fix prices on parcel tanker affreightment contracts for shipments of specialty liquids to and from the United States and elsewhere, the Justice Department today announced. As a result of the conspiracy, the Department said that consumers in the market for international parcel tanker shipping services paid non-competitive and higher prices for parcel tanker shipping.

Jo Tankers, with its principal place of business in Spijkenisse, The Netherlands, was charged in the U.S. District Court in Philadelphia. Jo Tankers, which has agreed to cooperate with the ongoing investigation, will pay its \$19.5 million fine over a five year period. The plea agreement and recommended sentence are subject to court approval.

“This case demonstrates our ongoing commitment to prosecute companies that participate in international cartels that victimize American businesses and consumers,” said R. Hewitt Pate, Assistant Attorney General in charge of the Department’s Antitrust Division.

Parcel tanker shipping is the transportation of bulk chemicals, edible oils, acids and other specialty liquids by compartmentalized deep sea vessels. The temperature and other specifications of the compartments in the vessels can be regulated according to the specific

requirements of the type of liquid being transported. A contract of affreightment provides for the transportation of bulk liquids from one port to another and typically covers multiple shipments during a certain period.

According to the charges, between the second half of 1998 and November 2002, Jo Tankers participated with its co-conspirators in the parcel tanker shipping conspiracy which was carried out by:

- engaging in meetings and discussions concerning customers and prices of parcel tanker shipping of products to and from the United States and elsewhere;
- agreeing not to compete for one another's customers either by not submitting prices or bids to certain customers, or by submitting intentionally high prices or bids to certain customers; and
- discussing and exchanging prices submitted to certain customers so as to not undercut one another's prices.

This case is a continuation of the Justice Department's ongoing criminal investigation into anticompetitive practices in the parcel tanker shipping industry.

On January 7, 2004, Hendrikus van Westenbrugge, a former co-managing director of Jo Tankers B.V., was sentenced to serve three months incarceration and pay a fine of \$75,000 for his role in the conspiracy.

On October 22, 2003, Odfjell Seachem AS, its Chairman, Bjorn Sjaastad, and a Vice President, Erik Nilsen, pleaded guilty to charges of participating in the shipping cartel. Odfjell was sentenced to pay a \$42.5 million fine; Sjaastad was sentenced to serve four months incarceration and pay a \$250,000 fine; and Nilsen was sentenced to serve three months incarceration and pay a \$25,000 fine.

The maximum penalty for a corporation convicted of a violation of the Sherman Act is a fine equal to the greatest of \$10 million, twice the pecuniary gain derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

Today's charge is the result of an investigation being conducted by the Antitrust Division's Philadelphia Field Office and Federal Bureau of Investigation in Philadelphia. Anyone with further information about anti-competitive conduct in the parcel tanker shipping industry should contact the Philadelphia Field Office at (215) 597-7405.

###

04-248